

Message Text

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ORIGIN XMB-04

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 OPIC-06 SP-02
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EUR/EE: I SENDERS

----- 033980 /67

R 162005Z DEC 76
FM SECSTATE WASHDC
TO AMEMBASSY WARSAW
AMEMBASSY VIENNA

UNCLAS STATE 304926

E.O. 11652: N/A

TAGS: EGEN/PL

SUBJ: FINANCING FOR SALE OF STELL MILL EQUIPMENT TO POLAND

WARSAW FOR LAMBERTY; VIENNA FOR AMBACH.

1. ON NOVEMBER 30, 1976 EXIMBANK ISSUED A PRELIMINARY COMMITMENT TO
FINANCE 42.5 PERCENT OF THE PROPOSED 23.5 MILLION DOLLAR SALE OF STEE
L
PICKLING AND SLITTING EQUIPMENT BY THE PRODUCTION MACHINERY CORPORA-
TION TO POLAND FOR USE IN THE LENIN STELL WORKS AT KRAKOW. INTEREST
RATE ON POSSIBLE EXIM LOAN WOULD BE 8.75 PERCENT AND TOTAL TERM
WOULD BE 9.5 YEARS WHICH INCLUDES 2 YEARS GRACE AND 7.5 YEARS RE-
PAYMENT, WITH EXIMBANK REPAYED AFTER PRIVATE LENDER. PRODUCTION MACHIN-

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ERY NOW ADVISES THAT SALE HAS BEEN LOST TO AUSTRIAN FIRM (POSSIBLY
VOEST), AND THAT AUSTRIAN FINANCING PROVIDES 4 YEAR GRACE PLUS 10.5
YEAR REPAYMENT AND INTEREST RATE OF 7.75 PERCENT FIXED FOR 60 PER-
CENT OF CONTRACT AND LIBO WIT CEILING OF 6.75 PERCENT FOR 40 PER-
CENT.

2. EXIM WOULD APPRECIATE ASSISTANCE OF BOTH ADDRESSEES IN ATTEMPTING TO PIN DOWN THE ALLEGED AUSTRIAN FINANCING. ON NOVEMBER 30 OKB ADVISED EXIM AS WELL AS OTHER EXPORT CREDIT AGENCIES THAT IT HAD NOT BEEN APPROACHED AND WOULD NOT COMMENT ON TERMS. EXIMBANK BELIEVES THAT A HELPFUL CONTACT IN VIENNA WOULD BE DR. HASCHEK IN OKB. THIS ASSISTANCE WILL BE HELPFUL SINCE U.S. SUPPLIER EXPECTS TO BE BIDDING ON SIMILAR BUSINESS IN THE FUTURE.
ROBINSON

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Disposition Authority: n/a
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Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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To: WARSAW VIENNA
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